

MINUTES OF REGULAR MEETING
ILLINOIS GAMING BOARD
JANUARY 17, 1995
CHICAGO, ILLINOIS

A Regular Meeting of the Illinois Gaming Board was held on January 17, 1995 in room 500-C of the State of Illinois Building, 160 North LaSalle Street, Chicago, Illinois. The Regular Meeting was held pursuant to previous Board action and notice was duly and timely given to each Board Member and the general public in conformity with the Illinois Open Meetings Act, 5 ILCS 120.

The following Board Members were present: J. Thomas Johnson, Chairman; and Members William B. Browder, J. William Roberts and Robert F. Vickrey. Member Gayl S. Pyatt was delayed due to weather.

In addition, Interim Administrator Joseph F. McQuaid, Deputy Administrator Thomas F. Swoik; the media and the general public were in attendance.

Chairman Johnson called the meeting to order at 9:00 A.M.

Mr. Roberts moved that pursuant to the Open Meetings Act, 5 ILCS 120/2 (1), (4), (11), (14) and (21), that the Board retire to Closed Session to consider the following subject matter:

1. Issues concerning applicants and licensees;
2. Recommendations of the Administrative Law Judge;
3. Pending litigation and matters involving probable litigation;
4. Investigatory matters; and,
5. Closed Session minutes.

Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote and the Board retired to Closed Session at 9:02 A.M.

The Illinois Gaming Board reconvened in Open Session at 11:46 A.M. Members Johnson, Browder, Pyatt, Roberts and Vickrey were in attendance.

The Chairman announced that one item was being added to the agenda, (Item 3 (a) - Personnel). There were no objections to the addition.

The first order of business concerned approval of minutes.

Mr. Browder moved that the Minutes of Regular Meeting for September 30, 1994 and December 1, 1994 be approved. Mr. Roberts seconded the motion. One technical correction was offered to the December 1, 1994 minutes. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned Personnel.

Mr. Roberts moved to suspend the Board's two meeting policy to immediately consider the appointment of an Administrator. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Roberts moved that Michael A. Belletire be hired as the Administrator of the Illinois Gaming Board effective February 1, 1995 and that the Chairman be authorized to negotiate the terms of employment and present such terms to the Board for approval. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned the Administrator's Report. The Chairman recognized Mr. McQuaid.

Mr. McQuaid first reviewed the Cruise Disruption Reports for November and December, 1994. The Chairman stated that the Board had reviewed the reports and remained concerned that licensees were out of compliance with Rule 3000.510, Excursions During Inclement Weather or Mechanical Difficulties. The Chairman instructed staff to prepare Disciplinary Complaints for consideration at the February, 1995 meeting. The staff was further instructed to review Rule 3000.510 and make recommendations for possible amendment adding specificity and clarifying language to the rule.

Mr. McQuaid next offered the Underage Patron Report for November and December, 1994. The Chairman observed that it appeared that licensees that reported fewer age verifications were those that had security and surveillance located at parking facilities.

Mr. Swoik, on behalf of the Administrator, next reported on the status of bids received to fund a compulsive gambling hot line. He stated that staff was not yet prepared to provide the Board with recommendations. Mr. Swoik noted that five Requests for Proposal were under review and that staff were in the process of requesting clarifying information from the submitting organizations.

The next order of business concerned issues of Owner Licensees. The Chairman first recognized Empress River Casino Corporation.

Mr. Kevin Larson appeared on behalf of the licensee. He requested Board approval for renewal of two lines of credit; \$20 million from Bank of America and \$5 million from First Mid-west Bank of Joliet, Illinois. He noted that both lines of credit were unsecured.

Mr. Vickrey moved that the Board approve the request received from Empress River Casino Corporation to obtain a line of credit in the amount of \$20 million from Bank of America. Mr. Roberts seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Vickrey moved that the Board approve the request received from Empress River Casino Corporation to obtain a line of credit in the amount of \$5 million from First Midwest Bank of Joliet. Mr. Roberts seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The Chairman next recognized Par-a-dice Gaming Corporation.

Mr. John Janicik appeared on behalf of the licensee. He requested Board approval to obtain a \$10 million line of credit from Bank of America to be used for general corporate purposes and unanticipated expenses.

Ms. Pyatt moved that the Board approve the request received from Par-a-dice Gaming Corporation to obtain a line of credit in the amount of \$10 million from Bank of America. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The Chairman next asked for public comment concerning the request received from Par-a-dice Gaming Corporation to renew an Owner's License. Mr. McQuaid noted that a request to address the Board had been received from the Mayor of East Peoria, Illinois. The Chairman recognized the Mayor.

The Honorable Jeffrey Giebelhausen appeared noting that he was joined by all members of the East Peoria City Council. Mayor Giebelhausen read portions of a letter requesting the Board not to renew the Owners License of Par-a-dice Gaming Corporation or approve a transfer of ownership. The Mayor told the Board that the city was opposing renewal and/or sale because of unresolved issues with the licensee. He stated that the licensee owed the City of East Peoria \$1.6 million under existing contractual agreements and that Par-a-dice had failed to honor its pledge to construct a hotel/convention center at its docksite. He noted that the city had incurred a significant expense for infrastructure development and had been instrumental in assisting Par-a-dice Gaming Corporation secure financing.

Mr. Tyrone Fahner next appeared on behalf of the licensee to respond to the Mayor. Mr. Fahner told the Board that it was the plan of the licensees to place \$1.7 million in an escrow account until all outstanding issues were resolved. He also stated that the proposed hotel would be a \$17 million project for which an agreement with a contractor had recently been signed. Mr. Fahner stated that there was a legal question as to whether the licensee actually owed the city \$1.7 million in penalties for not opening the East Peoria docksite in a timely manner.

Chairman Johnson stated that the city and the licensee should make every effort to resolve their issues. He noted that other questions existed pertaining to license renewal in light of published statements that the ownership stock of Par-a-dice Gaming Corporation had been sold to National Gaming Corporation, and that no applications had yet been received from the new entity. The Chairman urged the licensee to resolve all issues and submit all information to the Board for approval.

Ms. Pyatt requested that the staff report concerning the licensee's request for renewal include a history of the relations between East Peoria and Par-a-dice Gaming Corporation.

Mr. Vickrey asked about the status of plans for a proposed Chicago/Peoria freeway. City officials stated that a final route plan had not been adopted, but that one of the proposals being considered would route the freeway past the Par-a-dice property.

Further consideration was deferred to the February, 1995 meeting.

The Chairman next recognized Hollywood Casino-Aurora.

Mr. Richard Knight appeared on behalf of the licensee. He requested approval of a financing plan for a new vessel consisting of a \$5 million loan from Merchants Bank of Aurora, Illinois.

Mr. Vickrey moved that the Board approve the request received from Hollywood Casino-Aurora to obtain a loan in the amount of \$5 million from Merchants Bank of Aurora, Illinois. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Knight next requested consideration for a financing proposal totaling \$3 million in gaming and non-gaming equipment. The matter was deferred to the February, 1995 meeting.

The Chairman next recognized Elgin Riverboat Resort.

Mr. Dan Azark appeared on behalf of the licensee and requested that consideration of their request to re-capitalize be postponed. There were no objections.

Member Roberts was required to leave the proceedings due to a previous commitment.

The next order of business concerned Occupational Licensing.

Ms. Pyatt moved that the Board adopt the staff recommendations regarding the approval of the applications for an Occupational License, Level 1, submitted by the following individuals:

James Thomason
Kathy Zeller.

Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Board adopt the staff recommendations and approve the applications received for Occupational License, Levels 2 & 3. It was noted the motion included 492 Level 2 and 702 Level 3 applications. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Board adopt the staff recommendations and deny the applications received for Occupational License, Levels 2 & 3. It was noted the motion included 8 Level 2 and 8 Level 3 applications. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned administrative hearings.

Ms. Pyatt moved that the Board deny the requests for hearing submitted by the following individuals in that the requests failed to comply with Rule 3000.405, Requests for Hearings:

France McNair
Joseph Lekar
Shirley Smith
Gary Sheldon
Kyle Engstrom

Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Board grant leave to Todd Porter to reapply for an Occupational License within one year of January 17, 1995. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion to grant leave was approved unanimously by voice vote.

Mr. Pyatt moved that the Board grant leave to Alicia Herrera to reapply for an Occupational License within one year of January 17, 1995. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion to grant leave was approved unanimously by voice vote.

Ms. Pyatt moved that the Board grant leave to Gary Clouser to withdraw his request for hearing and to reapply for an Occupational License within one year of January 17, 1995. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion to grant leave was approved unanimously by voice vote.

Ms. Pyatt moved that the Board, having reviewed the administrative record, reject the recommendation of the Administrative Law Judge and deny the application for an Occupational License for Brian Henryson. Mr. Browder seconded the motion. Ms. Pyatt stated that the nature of the offense to which Mr. Henryson had plead guilty was sufficient basis to find that he failed to prove by clear and convincing evidence that he was suitable for licensing.

The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned pending investigations. The Chairman stated that investigatory matters had been discussed during Closed Session and that a number were referred for Board action.

Ms. Pyatt moved that the Complaint for Disciplinary Action, 95-DC-1, against Duncan LaChapelle be issued and that Mr. LaChapelle's license be suspended for 10 days. Mr. Vickrey seconded the motion. The complaint involved Mr. LaChapelle's failure to comply with a Board agent's order regarding an investigation into the criminal behavior of a Harrah's employee.

The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Complaint for Disciplinary Action, 95-DC-2, against Timothy Dean be issued and that Mr. Dean's license be suspended for 10 days. Mr. Vickrey seconded the motion. The complaint involved Mr. Dean's failure to comply with a Board agent's order regarding an investigation into the criminal behavior of a Harrah's employee.

The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Complaint for Disciplinary Action, 95-DC-3, against Sylvester Reed be issued and that Mr. Reed's licensing privileges be suspended for 3 years. Mr. Browder seconded the motion. The complaint involved Mr. Reed's suspected criminal activities while employed at Harrah's.

The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Complaint for Disciplinary Action, 95-DC-4, against Thomas Cammack be issued and that Mr. Cammack's license be revoked. Mr. Browder seconded the motion. The complaint involved Mr. Cammack's arrest and conviction for a crime involving dishonesty after he had been licensed by the Board.

The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Complaint for Disciplinary Action, 95-DC-5, against Anthony Matthews be issued and that Mr. Matthews' license be revoked. Mr. Browder seconded the motion. The complaint involved the criminal history of Mr. Matthews which rendered him ineligible to possess an Occupational License.

The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned New Business.

The Chairman announced the regular meeting dates for the Board for 1995:

February	14
March	21
April	25
May	16
June	20
July	18
August	15
September	19
October	17
November	21
December	19

Mr. Joe Duellman, representing Jo Daviess Riverboat Joint Venture, appeared and requested favorable consideration for a refinancing plan. He indicated that information would be filed with staff shortly. The matter was deferred.

There being no further business to come before the Board, Ms. Pyatt moved that the Board stand adjourned. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote and the Board stood adjourned at 12:52 P.M.

Respectfully submitted,

James A. Nelson
Secretary of the Board

